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TO RUEHC/SECSTATE WASHDC PRIORITY 9663
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEHJI/AMCONSUL JEDDAH PRIORITY 9909
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

UNCLAS RIYADH 001830

SENSITIVE
SIPDIS

DEPT FOR NEA/ARP AND EEB
DEPT PASS TO USTR

E.O. 12958: N/A
TAGS: [ETRD](#) [ECON](#) [EFIN](#) [SA](#)
SUBJECT: SAUDI RESPONSE TO DEMARCHE ON TRADE PROTECTIONISM

REF: SECSTATE 125609

¶1. (SBU) Post delivered the points in reftel demarche to the Saudi Government on December 3. In a December 21 meeting with Deputy Finance Minister Hamad Al-Baz'y, Econ Counselor urged the SAG not to increase tariffs. Al-Baz'y said there was "no discussion" within the SAG about raising existing tariffs or imposing any new tariffs. He added that just a few days earlier the SAG had in fact lowered tariffs on a number of products as part of Saudi Arabia's WTO accession commitments.

¶2. (U) Econ contacts in Saudi Customs provided additional details regarding the recent tariff reductions mentioned by Al-Baz'y, specifically that they were the third phase of Saudi Arabia's tariff-reduction commitments under their WTO accession, and that they took effect on December 11. These reductions included a decrease in tariffs on 61 chemical products from 12% to 8%, a decrease on 13 plastics products from 14.6% to 11.9%, and a decrease on household refrigerators from 12% to 10%.

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